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REPORT ON MEASURES TO HARMONIZE LIVESTOCK DEVELOPMENT POLICIES IN AFRICA: THE PERFORMANCE OF THE SECTOR AND THE IMPACT OF STRUCTURAL ADJUSTMENT PROGRAMMES

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I. INTRODUCTION

1. The present paper was prepared as part of the work programme of food and agriculture for the 1988-1989 biennium. It constitutes element 2.4 on multinational co-operation on livestock development in Africa and it focuses on the performance of the sector in the face of government intervention and the structural adjustment programmes (SAP). The effect of the SAP on the achievement of increased collective self-sufficiency and self-reliance in animal food production and supply was given particular attention.

2. Africa possesses large livestock resources. In 1987, the total livestock population (cattle, buffaloes, sheep, goats, pigs, camels, horses and chickens) was estimated at 219 million Tropical Livestock Units (TLU), or 117 per cent of the 1978 population. From 1978-1987, the livestock population grew at an annual average rate of 1.6 per cent. In 1987, the total assets value of the sector, estimated at more than $US 55 billion at 1987 prices, could be considered as a net gain since the farm debt and investments made by pastoralists are insignificant.

3. Despite potential self-sufficiency at current per capita consumption rates, the overall annual growth rate in total indigenous meat production of 2.7 per cent over the last decade, was inadequate to offset the effects of population growth. In the context of a continent characterized by a very low intake in animal protein, the amount of production losses and waste at both farm and processing levels, is considerable.

4. Consequently, the dependency on outside suppliers of meat and dairy products has increased. For instance, fresh, chilled and frozen meat imports increased at an average annual rate of 10.9 per cent from 1978-1986.

5. The long-term shortfall in animal food and livestock production has been attributed to several factors, 1/ including the lack of adequate productive economic policies, at both national and subregional levels, which would facilitate the production of high-quality animal food products at least cost, to meet consumer demand for animal products at competitive prices and across national boundaries.

6. The interventionist policies of governments throughout the continent have led to the concentration of basic investments, the supply of inputs and the provision of support services in the public sector which has hampered the socio-economic emancipation of the livestock sector and the development of a self-sustained and self-reliant livestock economy. This has, therefore, limited the integration of livestock economies at both subregional and regional levels. Such dependent policies have also made livestock development dependent on the international community to support and sustain government intervention.

1/ ECA, Report on a survey of agricultural research and programmes for livestock development in the African region, 1987.

7. An assessment of recent livestock development efforts in the continent suggests that the approach to development has been wrong. As a result, there is a tendency, especially at the international level, to put pressure on African Governments to adopt various adjustment programmes. As in the past, however, these programmes unfortunately are drawn up largely by the international community, with minimal consultation with the so-called beneficiaries. Such programmes are often imposed as pre-requisites for new resource flows or for debt rescheduling.

8. The present study recognizes the urgent need for orderly adjustment. Indeed, the optimal exploitation of the huge potential for sustained economic growth and development in the livestock sector in Africa will require courageous and sustained adjustments. These should, however, be carried out with due regard to the special conditions in the sector.

9. As far as possible, the report indicates ways of minimizing the unintentional and undesirable effects of adjustment policies and programmes on livestock sector growth and development. Equally, the report highlights the adjustments necessary for long-term growth and sustained development. The study is directed primarily at policy analysts who by a better understanding of the historical evolution of livestock development can advise decision makers on smooth long-term structural changes based on increasing self-reliance.

II. OVERVIEW OF THE PERFORMANCE OF THE LIVESTOCK SECTOR AND THE DEVELOPMENT ISSUES

10. If livestock development is judged on the basis of any improvement in the living conditions of those dependent on livestock farming, especially pastoralists, or of any increases in the marketing and processing of livestock products and by-products or in the per capita intake in animal proteins, then little has been achieved over the last 30 years. Development has focused on animal and range resources, rather than on the human element and indeed people have often been brought into the livestock projects without consultation or on mandatory basis. As a result, the aspirations of the livestock community at large have been overlooked and their interests ignored.

11. Three phases of government intervention may be distinguished, although there is some overlap between them; minimal intervention before 1960; expansionary intervention from 1960 to 1985; and contractionary intervention since 1985. The three phases will be examined, although most attention will be given to the last, most important phase since it corresponds to the application of SAP.

A. Government intervention before 1960

12. Government intervention was minimal and development was essentially based on indigenous technologies and self-reliance at individual and village levels. Traditional practices and laws provided a code of conduct governing the use of range resources and water, which helped to maintain some balance between carrying capacity and herd population. The present environmental problem, therefore, was not acute.

13. Few technologies were available to develop livestock production especially in the Areas with Comparative Advantage in Breeding (ACAB). Thus, nomadism was an efficient way of using limited pastoral resources and it also gave some protection against losses caused by drought and disease.

14. Nomadism, therefore, was the dominant way of life and accounted for over 80 per cent of the livestock wealth of the continent. Africa was self-sufficient in animal food production and was even a net exporter.

B. Expansionist government intervention: 1960-1985

15. During this period, governments became totally responsible for the development of the livestock sector in Africa regardless of the political options. Indeed, instead of gearing activity towards harnessing and developing human creativity and energy, the people in the livestock sector were assumed to be impediments to progress. This period, therefore, saw the beginning of the destruction of the self-help, self-reliant and independent capability of the livestock community.

16. Foreign aid, channelled through governments, was the basis of all national development; development plans were based on a 90-95 per cent foreign aid component. Decision makers put great faith in foreign experts or were forced to employ them as a condition of the aid package.

17. Several notable benefits resulted from this assistance, for example in manpower growth and skill development, institution building at national, regional and international levels; water provision on public lands; sporadic control of diseases (for example the Joint Programme 15 (JP15) on the eradication of rinderpest and cattle bovine pleuropneumonia); the testing and localized dissemination of technology especially for dairy, poultry and pig production around urban centres and the creation of co-operatives under the umbrella of the local administration or project staff.

18. The negative effects, however, began to be apparent towards the end of the 1970s, especially in the poorer countries and it was realized that the methods and patterns of development were not appropriate. Foreign loans and co-operation in general, together with trade with the developed countries were seen as having disadvantages.

19. Thirty years of development experience in the livestock sector has proved that over-reliance and physical investments based on grants (easy money) does not achieve sustained growth and long-term development, particularly when the investments in facilities and services were made on a piece-meal basis, without the involvement and participation of the people directly concerned in their use and management.

20. During the same period Africa also became a dumping ground for excess production of frozen meat, dairy products and drugs and a trial ground for new products and concepts of development. The people's response was to prefer the products, inputs and services from developed countries to those originating within the continent. Likewise, training facilities overseas were chosen in preference to local ones. As a result, many plants and facilities are underutilized and are the targets of adjustment policies (SAP).

21. The deep-rooted crisis of declining productivity and production from an already low level of productivity in the livestock sector stems from the introduction of development projects and programmes. Leadership in livestock development no longer lies with the livestock community and even the nation, but many different donor agencies intervene in any single country, each with its own concepts, strategies and conditions. The expansionary period began this process of inhibiting the sector from developing on the basis of its inner strength.

22. An additional factor is that drought and locust plagues occur more frequently and over larger areas. The impact of these natural calamities became more acute as the scale of nomadism was reduced because of population pressure and the resulting expansion of agriculture into marginal rangelands. Nomadism is no longer an influence in reducing the effect of drought and disease. Moreover, in some areas, such as West Africa, it has become a source of conflict between neighbouring countries.

23. To the livestock community as a whole, these factors have been translated into the loss and wastage of their assets and into the displacement of population, even to the point of becoming refugees. Unemployment and underemployment among the pastoralists is an increasing problem, especially among women whose income base has been considerably eroded because of the scarcity of fresh milk for sale.

24. African countries realized that something needed to be done to control their own development. In 1980, the Assembly of Heads of State and Government of the Organization of African Unity (OAU) adopted the Lagos Plan of Action. The Plan stressed the virtue of self-reliance which, in concept, should bring back to the African people the responsibility and the control of their own development.

25. The Lagos Plan of Action contains a regional and subregional charter of economic co-operation and integration. It should not be seen as an organ of a centrally controlled bureaucracy based at OAU headquarters with branches in the main economic groupings, rather the subregional headquarters should serve as centres of excellence for decision making to affect significantly the allocation of resources and income throughout the subregion or the continent. Their activities should be orientated towards increasing collective self-sufficiency and self-reliance.

26. There is no doubt that, if the principles of the Lagos Plan of Action are strictly adhered to and translated into action at macro-economic and sectoral levels, then African development will follow. Africa will develop by means of increased individual and collective self-reliance, within the framework of mutually profitable co-operation with the rest of the world.

27. Unfortunately, this expression of political will was not followed by concrete actions and programmes. African economies therefore deteriorated and in 1985, another extraordinary meeting was held which adopted Africa's Priority Programme for Economic Recovery, 1986-1990 (APPER). This was followed by a special session of the United Nations General Assembly on the economic conditions of Africa at which an agreement by the rest of the world to support Africa effectively was negotiated. In particular, the

international community committed itself to helping African Governments to develop the priority agricultural sector, including livestock, within the framework of the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD).

28. While attempting to make structural changes of the overall economy, however, the issues of livestock development have again been confused by the imposition of SAP. The adoption of SAP is often a pre-condition for any funding request to be examined by the developed countries, even within the framework of the UN-PAAERD. In some cases, the continuation of the old aid programme was linked to the successful completion of negotiations with the International Monetary Fund (IMF). Indeed, the implementation of APPER coincided with the debt crisis and the desire of the international community to initiate reforms in Africa enabling the repayment of debts and the maintenance of the absorptive capacity for imported manufactured goods, so that the overall efforts of African Governments and people to implement APPER have been hampered.

29. As a result, the policies and measures which followed were often in conflict, with too many pre-conditions being enforced. In the livestock sector, therefore, if the drawbacks of current programmes and policies are not corrected now, the coming decade may again be marked by retarded growth and underdevelopment.

III. STRUCTURAL ADJUSTMENT AND THE LIVESTOCK SECTOR

30. Since APPER and SAP are both crisis measures, they should reinforce each other but in fact, because the plans were designed under different circumstances, they seem to conflict. The recommendations of SAP tend to jeopardize the prospects for economic recovery, which is the goal of APPER.

31. This study fully recognizes the need to adjust the major economic imbalances, so that countries live within their resources and cease to rely on the international community for all aspects of socio-cultural and economic development. Adjustments must necessarily consider the social aspects and prepare the ground for sustained and long-term development and growth.

32. There are several weaknesses of SAP including shortcomings in the theory of structural adjustment, the lack of analytical tools to assess the likely impact of various policy instruments and the emergency, short-term nature of the programmes. Above all, the data and information on which programme design and monitoring is based is inadequate in quality, quantity and coverage. For instance, the extensive use of the gross domestic product (GDP), a hypothetical measurement, has undermined the efficiency of SAP. In addition, too much emphasis is put on price incentive, while neglecting the social and institutional structures, public investments in rural infrastructures and technological development.

33. Although the available information is too scanty for an effective assessment of the impact of SAP on the livestock sector, the present evidence suggests that current programmes adversely affect the prospects for growth and long-term development of the sector. Most programme elements of SAP seem to result in restricted rather than expansionary growth in the sector.

A. The effects of SAP on the livestock sector

34. Since the prime focus of SAP has been to influence macro-economic equilibrium, the effects on the livestock sector have been largely indirect. Further recent programmes have coincided with widespread rinderpest in the continent and with a loss of interest by the international community in the sector.

(a) The effects of adjustment in public expenditure

35. The adjustment packages based on cuts in public (governmental) expenditures were not successful in encouraging growth and development. As stated before, this policy combined with the crisis in foreign debt often led to a contraction in the livestock industry, with the result that increasing numbers of people dependent on livestock became poorer and more reliant on food aid, etc.

36. The indiscriminate reduction of government expenditure caused a decline in the volume and quality of public services. In terms of the livestock sector, this is particularly true of animal health and extension services. Furthermore, the responsibility has not been transferred on to the private sector to fill the vacuum.

37. The adjustments were not made at the farmer level for them to take control of the key inputs, services and other resources required in the production process, nor were they briefed on the inability of governments to meet their commitments for the delivery of goods and services.

38. The private sector was constrained notably by the lack of financial resources. The inadequacy of the market has hampered its growth, since the majority of the potential clients are the pastoralists in remote and harsh areas who have no incentive to use irregular, thus risky, services.

39. Cuts in public expenditure have also resulted in a reduction in the number of public sector employees. This has resulted in a reduction of the urban purchasing power which has considerably reduced the demand for meat, a luxury commodity. Consequently, the livestock community, especially the middlemen and butchers, have experienced further deterioration in their standard of living and the activities and income of public slaughterhouses have been reduced. The resulting excess capacity may become the target of further SAP measures.

(b) Effects of adjustment in monetary policies

40. Following the introduction of the Second-tier Foreign Exchange Market (SFEM) by Nigeria, prices rose sharply. The terms of exchange between the naira (the Nigerian currency unit) and the FCFA (used in most countries of the subregion and including those which are exporters of live animals to Nigeria) also deteriorated. As a result, in spite of rises in meat prices, the volume of exports of livestock from the Sahel to Nigeria has fallen. The import of manufactured goods, whether local or imported from Nigeria to the Sahel, has also been reduced, since trade is no longer attractive.

41. These factors had a negative influence on the wellbeing of the population, because of a reduction in the consumption of meat, consumer goods and services. The import of consumer goods - from toilet papers to sophisticated electronic equipment and cars - is very important in volume and value.

(c) The effects of adjustment on trade

42. The trade liberalization measures advocated by the SAP have resulted in increases in the imports of frozen and chilled meat. Very often, these products were originally exported to African countries at very low prices, although the local animal resources exist to meet consumer demand. For instance, a kilogramme of bovine meat which costs over FCFA 1,100 at the farm gate in the European Economic Community (EEC), is sold for about FCFA 150 to importers in Africa and costs less than FCFA 300 (cost, insurance and freight paid - c.i.f.) in Dakar, Senegal. Locally produced meat should be sold at a minimum of FCFA 500 per kg to cover production costs and ensure a reasonable margin. 2/ Such imports can only be detrimental to the promotion of intensive production and will increase the impoverishment of the traditional producers, part-time and newcomer farmers.

43. Furthermore, the continent has become increasingly dependent on outside sources for meat whereas it was a net exporter only a decade ago. Intra-African trade has been reduced and the balance of trade in animal products and by-products and the overall balance of payments has deteriorated. Cheap imports also mitigate against all prospects of increased individual and collective self-sufficiency in animal food production and supply and the contribution of the sector to economic integration. While a handful of national importers and domestic consumers have benefited from this operation, society as a whole has incurred considerable losses and wastage. The effects will continue long after the imports have been stopped.

44. It should be realized that without the use of trade distortions and in the absence of any desire by the developed countries to disrupt the livestock industry in Africa, these imports of frozen meat are not economically or financially sustainable. The continued availability of meat at such subsidized prices depends on the outcome of the struggle between the livestock farmers and the legislative bodies of the developed countries, for example in the EEC, which is actively engaged in structural reforms including a reorientation of agricultural policy to achieve a closer match between supply and demand. This would have the effect of reducing aid to agriculture, so that prices would rise to realistic levels and as a result food products, including animal food, would become unattractive to African importers since they would be more expensive than local produce.

(d) The effects on the livestock sector of projects and policies to lessen the overall social cost of SAP

45. The measures to offset the social cost of SAP, especially the redeployment of public employees, poses a serious threat to the welfare

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2/ Ministère du développement rural/Ministère chargé des ressources animales, Plan d'action pour l'élevage, Sénégal, 1989.

of the traditional pastoralists, who depend solely on livestock farming. The livestock sector has been identified as a source for productive employment around the urban areas, through the intensive production of milk and meat. Entry to and exit from these activities is easy, for example in the backyard fattening of lean animals over three-month periods using agro-industrial by-products.

46. It is fully recognized that an orderly and well-integrated production system, in which the Zones with Comparative Advantage in Breeding (ZCIBs) supply livestock units to the Areas with Comparative Advantage in Cropping (ACACs) and in Intensive Production (ACAIPs), would benefit all agricultural sectors, including the livestock economy. The sudden and disorganized entry of new producers into the system, however, has caused hardship to the pastoralists, particularly by reducing the profitability of livestock enterprises in ACAIPs because of competition for a very limited market. The situation has been exacerbated by the reduction in the volume of meat and live animal exports, resulting from the effects of trade liberalization policies.

47. These effects have been felt more keenly in countries with significant numbers of established part-time livestock farmers. Many of these are the political elite and high-ranking officials who have privileged access to scarce commodities and services. Thus, they are able to bar those seeking redeployment in the sector, who tend to lack collateral against credit and whose separation payments are inadequate to finance viable enterprises in such an environment of unfair competition. They also compete unfairly with the traditional producers.

48. Thus, redeployment of labour under SAP is hampered and the social costs of SAP are increased, not only to the target group but also for the pastoralists.

49. A potential problem related to the development of these part-time operators concerns the health aspects, for the uncontrolled use of drugs and feed additives to produce animal-derived food products could give rise to health hazards because of the risk of contamination from food and drug residues. Regulations governing the control and safe use of drugs and additives are difficult to enforce because of a lack of means to carry out inspection of the possible potential influence of many of the part-time farmers.

2. The case of direct structural adjustment involving the livestock sector

50. The most significant case, at least at regional level, of the direct application of SAP to the sector was during the Pan-African Rinderpest Campaign (PARC) in early 1980. The request of individual countries and the OAU for international aid to eradicate rinderpest was not well received and agreement was subject to conditions on structural adjustments in the sector, especially within the animal health services.

51. Lengthy negotiations over more than six years, on the terms and conditions of agreement between the continent and prospective donors, finally resulted in the Pan-African Rinderpest Campaign, under the umbrella of the OAU and the EEC. The programme provides for immediate control measures in the countries worst affected, namely Burkina Faso, Ethiopia, Mali, Nigeria

and the Sudan. The continuation of the programme beyond the initial two years will be approved only if the countries successfully carried out the reforms.

52. Other countries, notably Benin, Burundi, Côte d'Ivoire, Djibouti, Ghana, Guinea-Bissau, Kenya, the Niger, Sierra Leone, Somalia, the United Republic of Tanzania, Togo and Uganda will be covered if the development of the disease merits it by bilateral agreement between the EEC and the individual country concerned. Thus, only five countries will be directly covered with most of the others remaining at risk so that overall influence of the programme on reducing the impact of rinderpest on the livestock economy seems questionable.

53. The programme budget financed under the European Development Fund (EDF), was 50 million European Currency Units (ECU). Fifty per cent of this was set aside for the second group of countries, depending on the outcome of the negotiations. 3/ Although the financing agreement was signed with the OAU's Inter-African Bureau for Animal Resources (OAU/IBAR), the funds allocated to the field operations will be made available only when implementing protocols are signed with each country. This severely affects the regional dimension of the programme.

54. The dialogue focuses mainly on the measures to be taken to improve livestock policies, to provide a better financial basis for livestock services and to prevent desertification. The Commission will only release funds when the authorities concerned have accepted and implemented the adjustments implicit in the EEC guidelines.

55. The issues included in the dialogue and the actions related to increasing regional awareness of the need for shared responsibility and solidarity are listed below: 4/

(a) The place and contribution of livestock production in the country's economic, ecological and social background;

(b) The possibility of introducing a system of payment for services rendered or of increasing the cost of some services to cover the cost of key services which remain free of charge;

(c) A possible annual flat rate contribution, based on the numbers of livestock, in return for the provision of free services;

(d) Encouraging the formation of associations by livestock producers;

(e) The imposition of a tax on imports of livestock products and the allocation of the proceeds to livestock services;

3/ EEC 1986. Financing Agreement between the European Economic Community and the Organization of African Unity, Agreement No. 3559/PR VII/29 1/86-EN.

4/ Ibid.

(f) The allocation of the proceeds of existing taxes on livestock production to finance the services;

(g) A better balance between the numbers of staff (particularly graduates) employed in livestock services and the actual requirements of the producers. This could be achieved perhaps by offering incentives for staff to move into the private sector;

(h) Better preventative and control measures over desertification.

56. Although worded differently, these conditions are not essentially different in substance from those imposed by the IMF/World Bank. The Pan-African Rinderpest Campaign is in essence a structural adjustment programme specifically devised for the livestock sector by the EEC. While negotiations and dialogue are under way, the disease continues to cause loss and wastage in the cattle subsector. Undoubtedly, this has contributed to limiting the access of African meat to traditional and commercial markets, especially in the Middle East (ban of exports). It has also provided more opportunities for expanding the export of frozen meat, particularly from the EEC.

3. Simulation of adjustment in the terms of exchange between the livestock sector and the rest of the economy

57. It is common in SAP to have a component for influencing the terms of exchange between the agricultural sector and the rest of the economy. The present scenario assumes that government control on prices would be lifted to improve the terms of exchange between the livestock sector and the rest of the economy. The effects of such a policy on the nomadic pastoralists and the weaker segment of new livestock farmers would be minimal, for they would be constrained by the trade liberalization policy and the reduction in purchasing power of urban consumers.

58. The desired goal of an increase of production for domestic consumption and/or for export would not be achieved. The nomadic pastoralist has a limited demand for cash to meet necessary expenditures. 5/ The demand for consumer goods is also limited because of nomadism and the costs of transporting goods to remote areas is extremely high, apart from the low turnover of capital. In the absence of permanent secure land tenure, investment is almost nil in livestock farming, and therefore, the demand for capital investment funds is almost non-existent. In consequence, the off-take of animals from a pastoral farm is also limited.

59. A liberalization of the price of meat at consumer level would probably benefit the butchers and the middlemen in the short run. Transmitted to farm level, however, by an increase in farm gate prices, it might lead to a reduction of the supply of slaughter animals. The volume of business in the meat market and the quantity supplied to consumers would then be reduced. This in turn would result in an increase in the price. The spiral would continue until equilibrium is reached.

5/ ECA, Comprehensive policies and programmes for livestock development in Africa, Volume I: Problems, constraints and necessary future action, 1985.

60. The result of this could be a decline in the per capita intake of animal protein, especially for the poorest, most vulnerable urban consumers (the elderly, women and children). In turn, this would add to the effects of the deterioration in purchasing power resulting from the application of SAP. Moreover, this would increase the pressure on an already fragile resource base, thus making society at large worse off.

B. Recovery, rehabilitation and long-term growth and development of the livestock sector: the required and desirable adjustments

61. Livestock has considerable potential to develop from its inner strength. With a few well co-ordinated, integrated adjustment programmes at national and regional levels, the sector could generate the resources, including foreign exchange, necessary to finance its rehabilitation and recovery. This would be possible through an increased off-take of animals for final consumption, leading to an increase in the volume of production and export of meat and by-products, especially hides and skins. A reduction of the huge losses and wastage, especially in the slaughterhouse and in the cattle subsector, would increase the self-financing ability of the sector.

62. Preliminary adjustments are necessary, however, to correct major imbalances, for instance, the biased role and responsibility for development of the public sector should be changed to a genuine sharing between the public and the private sectors. Secondly, the over-reliance of the livestock community or government and of the state and region on the international community should be corrected by promoting the concept of self-reliance and by transferring the effective leadership and responsibility for African development into African hands.

63. Thirdly, the neglect in the allocation of public funds, services and resources should be effectively redressed and economic management improved, including greater discipline and efficiency in the use of resources. Consumers should be encouraged to prefer locally (domestic or subregional) produced goods and services rather than those from overseas. Regional ties should be developed in preference to international links. These are issues to be resolved urgently, in order to secure profound lasting adjustments and not stop-gap measures.

64. These adjustments should ensure the efficient allocation and use of all resources, natural, human and animal and the development of markets, especially for services, capital commodities and labour, with a clear division of function between the public and private sectors. In particular, they should prepare the way for greater control over the production system by lessening production risks and should ensure efficient institutions at all levels to help stimulate growth and development and achieve equity in the distribution of income and welfare.

65. Reforms directed towards improving the efficiency of the public sector, including the restructuring of enterprises and the closure of those not essential for growth, development and the satisfaction of social welfare and equity objectives, should be pursued vigorously. Since very few parastatals exist in the livestock sector (diagnostic laboratories, slaughterhouses, pharmacies and plants for the production of drugs and vaccines and the processing of meat and by-products), this restructuring should cause only minimal social and political upheaval.

66. Public investment should concentrate on major aspects, such as infrastructure development, road construction, research and extension, but without being the exclusive responsibility of the state. In fact, the financing of public investments could be drawn mainly from the sector's own resources including taxes and special levies on the beneficiaries. Joint ventures between the public sectors of member States would be ideal for achieving economies of scale.

67. The progressive privatization of the distribution and delivery of inputs and services especially at farm level and the introduction of user charges at all levels should be instituted. The liberalization of the credit markets lending on soft terms and the development of insurance schemes to facilitate credit access for private entrepreneurs and farmers and to protect their assets should be part of the adjustment programmes. These measures would encourage the development of a viable private sector and the adoption of improved technologies.

68. The administrative requirements for exporting livestock products are often such that it is better to avoid the official export channels. Indeed, it seems that the civil servants are not interested in honesty and the lawful operations of the livestock industry.

69. As a result, physical loss and waste during the export of live animals is increased. The government also loses revenue from taxes and society loses an opportunity to develop and reap the maximum benefit from its livestock resources. The adjustment process must, therefore, take effective measures against this malpractice.

70. There is an urgent need to amend the trade policy on livestock products, by-products and agro-industrial by-products, in particular to limit the export of agro-industrial by-products for feed production. Export taxes on livestock products and by-products should be reduced, as should the import taxes on major essential livestock inputs.

71. The subsidies on products of animal origin should be progressively reduced and taxes and quotas applied to imported livestock inputs and the products and related products produced from them locally. In particular, the import of frozen meat at dumping prices should be heavily taxed or banned. Part of the proceeds from taxation could be used to finance public intervention in the sector, especially in pastoral zones (research, extension, training and some animal health activities).

72. Monetary policies should be revised to stimulate the development of intra-African trade in livestock and enhance the contribution of the sector to the integration process at both subregional and regional levels. In particular, the clearing houses within the various economic groupings should be effectively used.

73. Other adjustments should be directed towards the improvement of the terms of exchange between the livestock sector and the overall economy. Three specific adjustments would be beneficial: security of tenure on pastoral lands should be guaranteed by granting pastoralists the same rights as for cash crop growers and peri-urban livestock farmers. In many countries,

livestock producers have been pushed increasingly onto marginal lands. This is an essential step for the recovery and long-term growth of the sector.

74. Although the issue is politically sensitive, the costs of guaranteeing land tenure now would be less than waiting until the reforms become inevitable. Pastoral lands are currently often publicly owned and exploited, so that the adjustment is a policy issue rather than one affecting a given political or social interest group.

75. Land reform, however, might stimulate or cause the formulation of interest or economic groups in the livestock community, leading to political involvement in a broad range of issues affecting the industry. Some equity problems could arise in the distribution of land, especially at the expense of the small holders and inefficient producers, but some compensatory measures could be taken to achieve equity through appropriate taxation and to create jobs for those displaced.

76. Overall, the benefits would outweigh the losses. The adjustment would facilitate the commercialization of livestock, increased prosperity, greater participation by the pastoralists in their own development and a greater opportunity for the private sector to supply the complementary inputs, supporting services and essential consumer goods and services at minimal cost as needed. Employment opportunities would also be created, contributing to the reversal of rural-urban migration. Finally, the advocated reform in land tenure would lead to the optimal allocation of resources for greater economic efficiency and optimal social welfare.

77. Secondly, an adjustment should be made in the prices of meat and major agro-industrial by-products required in feed production. The implicit taxation of the livestock sector, by pegging the meat prices at levels which do not cover production costs and drives the butcher out of business or onto the black market does not help the consumer, the butcher or the producer. Pricing reform is, therefore, necessary, but it must be allied to land tenure reform.

78. Thirdly, a correction should be made in the transfer of financial resources from livestock to other sectors. A very insignificant proportion of the income and taxes generated from the sector is reinvested into it. The allocation of resources for research and extension should be revised since livestock can still yield considerable resources for a low injection of public funds. The ultimate goal is to increase the contribution of the sector to socio-economic emancipation, hence the constant need to increase production.

79. Such adjustments could put the sector on the path of self-sustained and long-term growth and development, so making a significant contribution to overall socio-economic development in the continent. Ultimately, the growth in the balance of trade in livestock products and by-products would contribute to the improvement of the other macro-economic indicators. The sector would have played an important role in the success of SAP and could even serve as a model.

80. During the adjustments, however, attention must be paid to minimizing the negative effects on the poor producers and consumers. A genuine take-

off between contradictory policies, especially at the macro-economic level, should be carried out. These are the essence of the challenge, if the sector is to contribute to the achievement of the goals set out in the Lagos Plan of Action and APPER.

81. In the short term, governments may see the adjustments as reducing public earnings. The eventual increase in the volume of production and exports, especially in the major livestock-producing countries, however, should cover the loss of revenue resulting from the lowering of taxes. Since the value added for producers and traders would improve, a greater volume of income tax would be generated, at the same level of tax per unit.

82. Moreover, these reforms should lead to increased exports on the free markets. Thus, the reliance on stabilization schemes funded on external resources, such as the export earnings stabilization system (STABEX) under the Lome Convention, would decrease to minimal levels or be dropped. At present, few African countries export meat to the EEC, supposedly because of regulations on diseases, notably rinderpest, and those that are allowed to export can rarely fill their quotas.

83. Africa should be seen to pursue and intensify its efforts to implement its recovery and rehabilitation programme within APPER. In addition, the reforms in macro-economic policies to be initiated and controlled by individual governments should be pursued.

84. There are signs, from recent events in several member States, that political expediency and palliative measures and programmes, which admittedly bring temporary relief, are seen as being increasingly less effective as substitutes for basic and deep-rooted reforms. External factors will also help to increase African consciousness. Europe is moving towards a single market and currency by 1993; Canada and the United States have agreed on a single market; the commercial banks after making a breakthrough in China are vigorously opening up investment markets in the Eastern Bloc, particularly in the USSR. These will undoubtedly lead to a diversion of financial resources away from the weakest continent, Africa.

85. Indeed, these activities in the developed countries should force African Governments to fulfil their commitments within the framework of the Lagos Plan of Action. Meanwhile, it is urgent that the goal of increased food self-sufficiency be pursued effectively as cheap and free food will be less available. Furthermore, it is likely that STABEX will no longer be as efficacious if it continues beyond 1991.

IV. CONCLUSIONS AND RECOMMENDATIONS: LOOKING TO THE FUTURE

86. It has been seen that the pastoralist is at a disadvantage, paying taxes on assets but having no say in public policy making and intervention. The problem of livestock development was identified, formulated and exposed to the international community for possible solution, on behalf of the potential beneficiaries but without their prior knowledge and consent. Their participation in the solutions to the problem was not assured, for the development process was often irrelevant to them and indeed was often unfair to the inhabitants of pastoral lands.

87. To make matters worse, governments in many countries took over the rights on pastoral lands by decree which affected adversely the ability of the pastoralists to control production and the use of the water and range resources that are scarce in the fragile environment of arid zones. No rational member of the community would invest in or protect these public utilities over which he has no rights.

88. The approach to development over the last 30 years, including recent attempts at adjustment, has not been successful. Indeed, the livestock sector, especially in the pastoral areas, is in a period of crisis, suffering from high welfare costs; falling opportunities for employment and investment because of widespread drought and diseases; the decline of subregional co-operation, especially in the free movement of animals and their owners across national boundaries, in search of forage and water; unfair competition from importers of frozen meat at dumping prices, and reduced demand for meat, due to the reduction in purchasing power resulting from austerity measures and general recession.

89. As a result, the crisis has reached such proportions that most countries are increasingly unable to control production and maintain productivity in the livestock industry. Some are unable to sustain earlier progress in animal health, production and the development of water points and range resources. Corrective measures are urgently needed within a well- and carefully planned framework of interventions. The most pressing questions facing the livestock industry, however, are not in production technologies, but in policy areas.

90. The contention of this study is that present reforms under SAP and based on existing foundations simply aggravate the situation. They can provide only temporary relief rather than lasting solution to African livestock development problems.

91. The collective and individual responsibility is to ensure that development is effective and is based on measures of increased individual national and collective self-reliance, socio-economic self-sustainment, regional integration of livestock economies and harmonization with other aspects of the economy.

92. For economic integration to be successful, however, it should be progressive and based on a rational mix of mutually profitable co-operation and solidarity. Solidarity in the livestock sector, should help to preserve the comparative advantage of member States with high potential in livestock. Greater livestock growth and development should be ensured through collective measures and programmes, including the introduction of protectionist policies for the benefit of the whole. Opportunities to develop the sector within the framework of the subregional groupings should be fully exploited.

93. Developing opportunities for subregional co-operation, however, should not be a substitute to national self-reliance, nor international co-operation a substitute to collective self-reliance. Equally, state intervention should not hamper development of self-reliance and self-help among communities and individuals. Rather, all these opportunities should be developed and furthered in a system-wide framework for the benefit of all parties concerned.

94. The effective and courageous translation of the principles of the Lagos Plan of Action to the livestock sector should begin, hopefully, before the end of APPER and should include:

(a) The reform of pastoral land tenure;

(b) The development of the private sector in the livestock industry, including veterinary medicine;

(c) The development of complementarity and integration of production within the state, subregion and region and the development of subregional markets primarily for community production of both inputs and outputs.

95. Changes in attitudes towards development are advocated, in particular in the responsibility for the initiation, timing, path, location, focus, coverage and funding of development programmes. The need to move away from over-reliance on the international community towards self-reliance and to build up self-confidence is essential. The members of the livestock community must become the initiators of their own development and growth and should be responsible for the definition and the resolution of the socio-economic problems affecting them. The study, therefore, emphasizes the need to create an enabling environment, for the livestock sector to be taken as a business enterprise, harnessing the self-help, self-reliant and independent capability of the producers and businessmen.

96. The successful initiation and implementation of such changes will, however, require a well-defined framework for short- and medium-term adjustment, rehabilitation and recovery and also with the sustained and long-term growth and development needs of the sector.

97. It is recommended that over the next two years, ECA, in close collaboration with FAO and OAU, should undertake the preparation of a framework for interventions in the African livestock sector, along the lines defined in this report, to ensure the long-term growth and development of the sector. In the meantime, assistance should be given to member States to minimize the negative impact of SAP on the sector, through adequate advisory services and in reducing and controlling production losses and wastage at farm and processing levels, by the preparation and implementation of a master plan for the prevention, reduction and elimination of losses and waste.